

Order Number

480

API Number

30-025-40144

Operator

Apache Corporation

County

Lea

Order Date

8-25-11

Well Name

Bunin

Number

9

Location

A

UL

13

Sec

215

T (+Dir)

37E

R (+Dir)

Oil %

81%

Gas %

46%

Pool 1

16660

Blinberry O+G

Pool 2

160240

Tubb O+G

19%

54%

Pool 3

Pool 4

Comments:

Posted in RBDMS. 08-26-11 GA

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-40144
DHC-HOB-480

OPERATOR: Apache Corporation

PROPERTY NAME: Bunin

WNULSTR: #9 A-13-215-37E

SECTION I:	ALLOWABLE/AMOUNT
POOL NO. 1 <u>Blinebry Oil + Gas</u>	<u>107</u> <u>428</u> MCF
POOL NO. 2 <u>Tubb Oil + Gas</u>	<u>142</u> <u>284</u> MCF
POOL NO. 3 _____	_____ MCF
POOL NO. 4 _____	_____ MCF
POOL TOTALS <u>249</u> <u>712</u>	

SECTION II:	<u>Oil</u>	<u>Gas</u>
POOL NO. 1 <u>Blinebry Oil + Gas</u>	<u>81%</u>	<u>46%</u>
POOL NO. 2 <u>Tubb Oil + Gas</u>	<u>19% x 249 = 47.31</u>	<u>54%</u>
POOL NO. 3 _____	<u><47></u>	
POOL NO. 4 _____		

	<u>OIL</u>	<u>GAS</u>
SECTION III:		
<u>19% ÷ 142 = 71.4736</u>	<u><747></u>	

SECTION IV:		
<u>81% x 747 = 605.07</u>	<u><605></u>	
<u>19% x 747 = 141.93</u>	<u><142></u>	
_____	_____	
_____	_____	

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

HOBBS OCD

OIL CONSERVATION DIVISION

AUG 24 2011 220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

WELL API NO. 30-025-40144
5. Indicate Type of Lease STATE ☐ FEE ☒
6. State Oil & Gas Lease No. NA
7. Lease Name or Unit Agreement Name Bunin
8. Well Number 009
9. OGRID Number 873
10. Pool name or Wildcat Blinebry Oil & Gas(Oil)/Tubb Oil & Gas(Oil)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other:

2. Name of Operator
Apache Corporation

3. Address of Operator
303 Veterans Airpark Lane, Suite 3000 Midland TX 79705

4. Well Location
Unit Letter A : 990 feet from the North line and 330 feet from the East line
Section 13 Township 21S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3465' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL. ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☒			
OTHER: ☐		OTHER: ☐	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. R-11363

Pool Names:

Actual Perforations:

Blinebry Oil & Gas (Oil)	6660	Blinebry	5915'-6372'
Tubb Oil & Gas (Oil)	60240	Tubb	6491'-6716'

The allocation method will be as follows based on offset production (See attached application for exception to Rule 303-C).

	OIL	GAS	Water
Blinebry	81%	46%	60%
Tubb	19%	54%	40%

Downhole commingling will not reduce the value of these pools. Ownership is the same for each of these pools.

Spud Date: 06/07/2011

Rig Release Date: 06/17/2011

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Reesa Holland TITLE Sr. Engr Tech DATE 08/22/2011

Type or print name Reesa Holland E-mail address: reesa.holland@apachecorp.com PHONE: 432/818-1062

For State Use Only

APPROVED BY: [Signature] TITLE RECEIVED DATE AUG 25 2011

Conditions of Approval (if any):

AUG 29 2011

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
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1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised July 16, 2010

Submit one copy to appropriate
District Office

AUG 24 2011

CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40144	Pool Code 6660	Pool Name BLUEBRY OIL + GAS (OIL)
Property Code 306053	Property Name BUNIN	Well Number 9
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3465'

Surface Location

UL or lot No. A	Section 13	Township 21 S	Range 37 E	Lot Idn	Feet from the 990	North/South line NORTH	Feet from the 330	East/West line EAST	County LEA
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	SURFACE LOCATION Lat - N 32°29'00.69" Long - W 103°06'33.12" NMSPCE- N 541803.474 E 918811.414 (NAD-83) SURFACE LOCATION Lat - N 32°29'00.27" Long - W 103°16'31.43" NMSPCE- N 541744.449 E 877627.343 (NAD-27)	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Reesa Holland 8/22/11 Signature Date REESA HOLLAND Printed Name Reesa.Holland@apachecorp.com Email Address
	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief. Date Surveyed Signature & Seal of Professional Surveyor 7977 Certificate No. Gary L. Jones 7977 BASIN SURVEYS 24670	

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1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD

AUG 24 2011

RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised July 16, 2010

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40144	Pool Code 60240	Pool Name TUBB OIL + GAS (OIL)
Property Code 306053	Property Name BUNIN	Well Number 9
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3465'

Surface Location

UL or lot No. A	Section 13	Township 21 S	Range 37 E	Lot Idn	Feet from the 990	North/South line NORTH	Feet from the 330	East/West line EAST	County LEA
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

SURFACE LOCATION Lat - N 32°29'00.69" Long - W 103°06'33.12" NMSPCE - N 541803.474 E 918811.414 (NAD-83)		OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <u>Reesa Holland</u> 8/22/11 Signature Date <u>REESA HOLLAND</u> Printed Name <u>Reesa.Holland@apachecorp.com</u> Email Address
SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date Surveyed Signature & Seal of Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS 24670		



August 22, 2011

Mr. Paul Kautz
New Mexico Oil Conservation Division
1625 N French Drive
Hobbs, New Mexico 88240

HOBBS OCD

AUG 24 2011

RECEIVED

RE: Application for Exception to Rule 303-C – Downhole Commingling
Bunin #9
Unit A, Section 13, T21S, R37E
Blinebry Oil & Gas (Oil) & Tubb Oil & Gas (Oil)
Lea County, New Mexico

Dear Mr. Kautz,

Enclosed please find form C-103 and attachments for downhole commingling the captioned well. The ownerships (WI, NRI and ORRI) of these pools are identical in this wellbore. The fluids from each of these pools are compatible as seen in other similar commingles in the area. Combining these fluids will not result in any damage to these pools. Commingling will improve the efficiency of present and future recovery operations. Cross flow will not be a problem due to having a production lift system capable of keeping the well pumped off thereby maximizing production. This commingling will not reduce the value of the total remaining production.

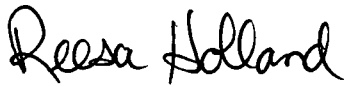
The allocation method used for this well was determined by analyzing the cumulative oil, gas and water production in a nine section area of review surrounding this well. Supporting documentation is shown on the attached spreadsheet. Production for active and inactive wells was grouped by pool in the area of review. The totals for each phase were then divided by the number of wells associated with this pool yielding an average. This average was used to determine the percentage allocation.

The main reason for using this method is based on economics and minimizing reservoir damage. Past completion practices had all three zones perforated and fracture stimulated during one full week. Each zone was isolated by a retrievable bridge plug to allow for production testing of each zone for allocation purposes. This testing period lasted as long as one month before a stabilized rate was observed thus allowing the next zone to be brought on and tested. During this time period the completion fluids used were still confined to the other reservoirs causing gel damage. It is a common practice to get these fluids out of the wellbore as soon as possible to help maximize productivity. On a cost basis it is more expensive to have a completion rig move in and out multiple times to bring on each new zone. Several other factors such as weather, other new completions and regulatory well work may interfere with these new wells.

The area of review used encompasses what has been accepted as a good statistical representation for allocation purposes. By using this allocation method all zones will be brought online in a more effective and efficient manner. This will in turn generate a higher productive rate and quicker revenue streams not only for the operator but for the State of New Mexico too.

If you need additional information or have any questions, please give me a call at (432) 818-1062.

Sincerely,

A handwritten signature in black ink that reads "Reesa Holland". The script is cursive and fluid, with the first name "Reesa" and last name "Holland" clearly distinguishable.

**Reesa Holland
Sr. Engineering Technician**

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)		Cum Gas (MCF)		Cum Water (BBL)	
				Blinēbry	Tubb	Blinēbry	Tubb	Blinēbry	Tubb
OWEN	1	3002506339	14E 21S 37E		49654		3652319		
DRINKARD UNIT	13	3002506476	11C 21S 37E	100365		695307		13276	
DRINKARD UNIT	12	3002506477	11D 21S 37E	107103		622024		37125	
DRINKARD UNIT	17	3002506478	11O 21S 37E	209824		2366090		9031	
DRINKARD UNIT	18	3002506479	11A 21S 37E	163011		604541		6253	
DRINKARD UNIT	19	3002506480	11H 21S 37E	252880		1770169		41709	
DRINKARD UNIT	20	3002506481	11I 21S 37E	174441		1562950		12145	
DRINKARD UNIT	21	3002506523	11B 21S 37E	182507		2813057		11398	
LOCKHART B 11	3	3002506525	11E 21S 37E W2 SW NW	127730		2073161		10898	
DRINKARD UNIT	16	3002506526	11A 21S 37E	50913		398626		17528	
DRINKARD UNIT	22	3002506528	11P 21S 37E	124277		2001889		5804	
DRINKARD UNIT	23	3002506529	11G 21S 37E	210952		1970421		6802	
DRINKARD UNIT	24	3002506530	11J 21S 37E	208468		1341043		14406	
DRINKARD UNIT	25	3002506531	11F 21S 37E	196012		2272861		35014	
J H NOLAN	2	3002506533	11N 21S 37E SE SW		35871				
GUTMAN	1	3002506537	11L 21S 37E		1689		87692		30
DRINKARD UNIT	28	3002506538	12D 21S 37E	57579		388643		7812	
DRINKARD UNIT	30	3002506539	12E 21S 37E	19149		151770		3515	
DRINKARD UNIT	31	3002506541	12C 21S 37E	149383		656081		7613	
DRINKARD UNIT	32	3002506542	12D 21S 37E	125199		260813		3116	
DRINKARD UNIT	33	3002506543	12F 21S 37E	139466		550995		3109	
DRINKARD UNIT	34	3002506544	12G 21S 37E	59337		231505		11251	
DRINKARD UNIT	35	3002506545	12B 21S 37E	84354		413958		14577	
DRINKARD UNIT	36	3002506546	12E 21S 37E	76046		267087		5357	
CHESHER	1	3002506549	12K 21S 37E NE SW	78280		227036		820	
DRINKARD UNIT	48	3002506550	12M 21S 37E	132856		848747		15307	
DRINKARD UNIT	47	3002506551	12J 21S 37E	98064		303686		14960	
DRINKARD UNIT	46	3002506552	12L 21S 37E	166214		949138		21967	
FIELDS	1	3002506553	12O 21S 37E	47463		101724		12286	
PLUMLEE	1	3002506554	12N 21S 37E	66745		175622		514	
LOCKHART B 13 A	1	3002506555	13M 21S 37E	85536		2092334		6261	
DRINKARD UNIT	37	3002506556	13E 21S 37E	103580		3025657		14152	
DRINKARD UNIT	38	3002506557	13F 21S 37E	135002		1048206		12352	
LOCKHART B 13 A	4	3002506558	13K 21S 37E	88372		513291		4853	
LOCKHART B 13 A	5	3002506559	13N 21S 37E	115906		674137		15604	
DRINKARD UNIT	39	3002506560	13G 21S 37E	44891		149588		16750	
DRINKARD UNIT	40	3002506561	13J 21S 37E	41306		124484		16797	
DRINKARD UNIT	8	3002506562	13L 21S 37E	79385		3183803		11897	
DRINKARD UNIT	53	3002506566	13C 21S 37E	164462		1045288		2798	
DRINKARD UNIT	54	3002506567	13B 21S 37E	112252		475667		590	
DRINKARD UNIT	55	3002506568	13D 21S 37E	180756		1104870		4132	
EUBANKS	2	3002506569	14L 21S 37E	97576	70239	1099732	4574784	4446	285
EUBANKS	1	3002506570	14M 21S 37E	253776		6389826		6379	
EUBANKS	3	3002506571	14K 21S 37E	146680		3796308		4794	
EUBANKS	4	3002506572	14N 21S 37E	219232		2050107		4064	
DRINKARD UNIT	43	3002506573	14H 21S 37E	61371		5449570		9314	
DRINKARD UNIT	44	3002506574	14P 21S 37E C SE SE	69476	17491	1762380	1310182	6771	
DRINKARD UNIT	45	3002506575	14A 21S 37E	160714		1610515		11568	
LOCKHART B-14 A	4	3002506576	14I 21S 37E	93005		1235361		6040	
NAOMI KEENUM	1	3002506577	14J 21S 37E	261118		1728173		25244	
NAOMI KEENUM	2	3002506578	14O 21S 37E	131160	124511	603394	4330361	13942	27016
DRINKARD UNIT	49	3002506582	14G 21S 37E C SW NE		5837		172709		237
DRINKARD UNIT	50	3002506583	14B 21S 37E	277261		2898234		14250	
DRINKARD UNIT	51	3002506584	14G 21S 37E	179650		3523677		14383	
SARKEYS	1	3002506759	23M 21S 37E		21420		3333159		
ROY BARTON	1	3002506763	23G 21S 37E		18186		1937823		173
S J SARKEYS	2	3002506767	23O 21S 37E		14367		1297123		
D A WILLIAMSON	1	3002506769	23A 21S 37E		3219		209182		
D A WILLIAMSON	2	3002506771	23E 21S 37E		35052		2572497		2836
NANCY STEPHENS	1	3002506774	24D 21S 37E	56080	40994	1857670	548838	5496	16592
NANCY STEPHENS	2	3002506775	24E 21S 37E	81433	11629	1771881	29055	11504	7977
NANCY STEPHENS	3	3002506776	24C 21S 37E	64307		78230		1508	
STEPHENS ESTATE	1	3002506777	24L 21S 37E	33942		1188939		3172	
STEPHENS ESTATE	2	3002506778	24M 21S 37E	57784		1401814		12020	
SARKEYS	2	3002509932	23K 21S 37E	91951	23372	4465416	1173700	3571	2152
ROY BARTON	1	3002521347	23G 21S 37E		21217		2184305		505
SARKEYS	5	3002521350	23O 21S 37E		7238		2867307		455
NANCY	1	3002523219	24N 21S 37E SE SW	8933	5551	60772		25316	111

Bunin #9
 API 30-025-40144
 Apache Corp.

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)		Cum Gas (MCF)		Cum Water (BBL)	
				Blinebry	Tubb	Blinebry	Tubb	Blinebry	Tubb
FEDERAL 7	1	3002527058	7D 21S 38E	20802		22273		59040	
NANCY STEPHENS	4	3002527902	24F 21S 37E	28552	56438	104843	213934	6651	42334
DRINKARD UNIT	42	3002528011	13N 21S 37E		9417		77120		11257
LOCKHART B-13 A	10	3002528131	24B 21S 37E	8794		22106		21806	
DRINKARD UNIT	52	3002536810	14B 21S 37E NW NW NE	9082	3293	98785	95086	2894	7724
LOCKHART B 24	1	3002538759	24J 21S 37E NW NW SE	6096	1235	6603	7600		
TOTALS				6,978,841	577,920	82,682,878	30,674,776	723,952	119,684
AVERAGES				112,562	26,269	1,333,595	1,533,739	11,868	7,979

Proposed Allocations	Oil	Gas	Water
Blinebry	81%	46%	60%
Tubb	19%	54%	40%
TOTAL	100%	100%	100%